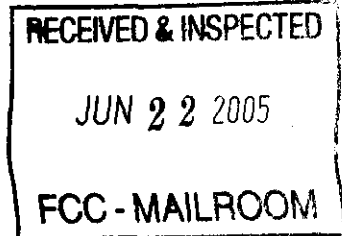




STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260

June 21, 2005



JIM SULLIVAN, PRESIDENT
JAN COOK, ASSOCIATE COMMISSIONER
GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.
SECRETARY

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, Maryland 20743

DOCKET FILE COPY ORIGINAL

Re: Certification of the Alabama Public Service Commission's
Compliance with the Lifeline and Link-up Certification/Verification
Requirements

Dear Ms. Dortch:

Please be advised that with the implementation of the attached Order the Alabama Public Service Commission is in full compliance with the provisions of the Federal Communications Commission's *Report and Order and Further Notice of Proposed Rulemaking* released on April 29, 2004, in WC Docket No. 03-109 with regard to the establishment of certification and verification procedures for all Eligible Telecommunications Carriers participating in the Alabama Lifeline and Link-up Programs. The Alabama Commission will ensure continued compliance with the certification/verification revisions formally implemented by said Order.

Thank you for your attention to this important matter. Should you have questions, please do not hesitate to contact me at (334)242-5200. Please date stamp the extra copy of this pleading provided and return it in the enclosed, stamped, self-addressed envelope.

Sincerely,

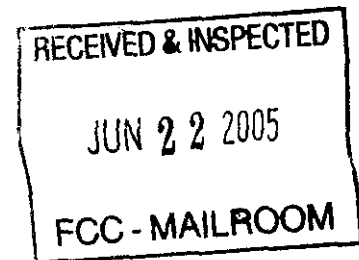
John A. Gamer
Chief Administrative Law Judge

JAG:eml
Enclosures
By FedEx Priority Overnight

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SECRETARY

IN RE: IMPLEMENTATION OF THE
UNIVERSAL SERVICE REQUIREMENTS
OF SECTION 254 OF THE
TELECOMMUNICATIONS ACT OF 1996.

DOCKET 25980

ORDER ESTABLISHING CERTIFICATION/VERIFICATION
PROCEDURES AND WORKSHOPS

BY THE COMMISSION:

I. Introduction and Background

By Order entered in this cause on April 22, 2005, the Commission sought comment on possible revisions to The Lifeline and Link-up Programs in Alabama. In particular, the Commission sought input from interested parties concerning the possible expansion of the eligibility criteria for Lifeline and Link-up, the duration of an individual's eligibility, revised certification/verification procedures, the need for modified implementation and recordkeeping requirements, the need for additional outreach programs and other related matters.

The Commission received initial comments in response to the April 22, 2005 Order discussed above from BellSouth Telecommunications, Inc. ("BellSouth"), the Office of the Attorney General of Alabama (the "AG") and the Alabama Incumbent Local Exchange Carriers listed in Appendix A hereto (the "Alabama ILECs"). Reply comments were received from the Alabama ILECs.

Although the initial and reply comments received by the Commission addressed a number of issues, the Commission is most concerned at this juncture with the establishment of firm certification and verification requirements in order to ensure compliance with the FCC's

order of April 29, 2004 in WC Docket No. 03-109.¹ As discussed in more detail below, the Commission is of the opinion that workshops should be established to address other important but less pressing issues such as expanded eligibility criteria, automatic enrollment, the need for additional outreach programs, unpaid toll charges and other related matters.

II. Certification and Verification Procedures

A. The Comments of the Parties

BellSouth recommended in its comments that the Commission allow customers to self-certify their eligibility for Lifeline/Link-up benefits by submitting written documentation under penalty of perjury.² With respect to verification, BellSouth recommended that the Commission endorse the online verification process which BellSouth has implemented in partnership with the Alabama Medicaid Agency.³ Pursuant to that collaborative effort, BellSouth provides a digitally secure ID at no cost to the State Medicaid Agency and provides training on how to utilize the online website used for Lifeline subscriber data. BellSouth then downloads the complete file of State Lifeline subscribers identified by name, social security number and telephone number to the secure website. The State Medicaid Agency then "bashes" the BellSouth file of State Lifeline subscribers against the Agency files and creates an "exception" file of Lifeline subscribers who are not found to be participating in the State's qualifying Medicaid program. State Medicaid then transmits the file of "ineligible Lifeline subscribers" to BellSouth.

¹ *Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 03-109 (rel. April 29, 2004) (the "Lifeline/Link-up Order")

² See BellSouth's Comments at p.2.

³ *Id.* at pp. 3-4.

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Upon receiving the list of ineligible, BellSouth generates a letter of notification to the affected Lifeline subscribers informing them that they have 60 days to recertify. The ineligible subscribers may be recertified by providing BellSouth with a copy of a document showing participation in a qualifying program. If BellSouth does not receive supporting documentation to verify participation in the State Medicaid Program after 60 days, the Lifeline credit is removed from the customer's account.

In their initial comments, the Alabama ILECs pointed out that most ILECs in Alabama currently allow for self-certification of Medicaid eligibility and urged the Commission to implement the requirement that subscribers must self-certify Medicaid Program eligibility under penalty of perjury. The Alabama ILECs recognized that an online verification system in Alabama could be a valuable resource, but expressed concern regarding implementation of such a program without further study. The Alabama ILECs recommended that at the present time, the minimum verification requirements should be limited to the random survey methodology established in the FCC's *Lifeline/Link-Up Order*.

In their reply comments, the Alabama ILECs asserted that most of the small Alabama ILECs do not have the financial resources necessary to develop an online verification procedure with Medicaid and consequently do not have available to them the real time verification process advocated by BellSouth in its initial comments. As a result, the Alabama ILECs asserted that the verification process with Medicaid is much more cumbersome for the Alabama ILECs than it is for BellSouth. The Alabama ILECs thus proposed that carriers be allowed to choose from one of the three following verification methods: (1) Random and annual surveys of a statistically valid number of the carrier's

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Lifeline subscribers requesting that each surveyed subscriber verify under penalty of perjury that they continue to participate in the Medicaid program;⁴ (2) Annual surveys of a carrier's entire Lifeline subscriber base requesting that each surveyed subscriber verify under penalty of perjury that they continue to participate in the Medicaid program or; (3) Online verification as described by BellSouth in its initial comments. The Alabama ILECs further respectfully requested that the Commission institute a workshop to investigate the issues associated with an online verification system.

The Office of the Attorney General also supported self-certification for consumers, but stressed the importance of ensuring that the rules and guidelines of the Lifeline/Link-up programs are simple and understandable for potential participants. The AG asserted that if potential participants do not understand and are not reminded on a frequent basis of the rules of the program, self-certification will not be effective.

B. The Findings and Conclusions of the Commission with Respect to Certification and Verification.

Having considered the comments of the parties as discussed above, we conclude that individuals seeking to avail themselves of the benefits of the Lifeline and Link-up program should be allowed to submit written documentation self-certifying their eligibility for participation in Medicaid with the caveat that such information be provided subject to the penalty of perjury for the submission of false information.⁵ The Commission finds that such self-certification is the most efficient means of encouraging participation in the Lifeline and Link-up programs at this time.

⁴ As advocated in the FCC's *Lifeline/Link-Up Order*.

⁵ The Commission will consider expanding the eligibility criteria for Lifeline/Link-up participation beyond Medicaid during the workshops established herein and discussed in more detail below. Changes to the threshold eligibility criteria may well necessitate commensurate changes to the certification procedure established herein.

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With respect to verification of continued eligibility, the Commission finds that the most effective procedure would be the online verification system proposed in the comments of BellSouth. Recognizing, however, that such an online verification procedure may not be practical or technically feasible for many of Alabama's smaller ILECs at this time, the Commission concludes that any eligible telecommunications carrier ("ETC") which determines that it cannot technically and/or feasibly implement the online verification system advocated by BellSouth and discussed above has the option of petitioning the Commission for a waiver from the requirement of implementing such an online verification system. All ETCs seeking such a waiver must demonstrate to the satisfaction of the Commission that the implementation of an online verification system would be unduly economically and/or technically burdensome. Any such carriers who are granted waivers must utilize the random sampling methodology established in the FCC's *Lifeline/Link-Up Order*.⁶ All ETCs in Alabama must be in full compliance with the certification and verification procedures established herein no later than November 30, 2005.

III. Remaining Lifeline and Link-up issues

The Commission acknowledges that many issues regarding the Lifeline and Link-up programs in Alabama have been raised by the commenting parties in this cause. Although we have reached conclusions on the issues related to certification and verification herein, we conclude that further investigation is needed to address other issues such as expanded eligibility criteria, automatic enrollment, expanded outreach programs, additional recordkeeping obligations and other matters. The Commission herein finds that the most productive forum for

⁶ See ¶ 35 and Attachment J.

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addressing those open issues is to conduct workshops that will be open to the public. We will schedule such workshops in the near future and hope to include in said workshops representatives from the State agencies in Alabama who have primary responsibility for administering many of the means-tested programs that have participants who would also benefit from participation in the Lifeline and Link-up programs.

IT IS SO ORDERED BY THE COMMISSION.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premises.


IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 21st day of June, 2005.


ALABAMA PUBLIC SERVICE COMMISSION


Jim Sullivan, President


Jan Cook, Commissioner


George C. Wallace, Jr., Commissioner

ATTEST: A True Copy


Walter L. Thomas, Jr., Secretary

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APPENDIX A

ALLTEL-Alabama, Inc.
Ardmore Telephone Company
Blountsville Telephone Company, Inc.
Brindlee Mountain Telephone Company
Butler Telephone Company, Inc.
Castleberry Telephone Company, Inc.
CenturyTel of Alabama, LLC
Farmers Telecommunications Cooperative, Inc.
Frontier Communications of Alabama, LLC
Frontier Communications of Lamar County, LLC
Frontier Communications of the South, LLC
Graceba Total Communications, Inc.
GTC, Inc.
Gulf Telephone Company
Hayneville Telephone Company, Inc.
Hopper Telecommunications Company, Inc.
Interstate Telephone Company
Millry Telephone Company, Inc.
Mon-Cre Telephone Cooperative, Inc.
Moundville Telephone Company, Inc.
National Telephone of Alabama, Inc.
New Hope Telephone Cooperative, Inc.
Oakman Telephone Company, Inc.
Otelco Telephone, LLC
Peoples Telephone Company, LLC
Pine Belt Telephone Company, Inc.
Ragland Telephone Company
Roanoke Telephone Company
Union Springs Telephone Company
Valley Telephone Company, LLC